

ASSEMBLY BILL

No. 2321

Introduced by Assembly Member Feuer

February 21, 2008

An act to amend Section 130350.5 of the Public Utilities Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2321, as introduced, Feuer. Transportation funding: County of Los Angeles.

Existing law authorizes the Los Angeles County Metropolitan Transportation Authority (MTA) to impose, in addition to any other tax that it is authorized to impose, a transactions and use tax at the rate of 0.5% for 6½ years or less, for the funding of specified transportation-related purposes designated as capital projects or capital programs. Existing law conditions the imposition of a tax under this authority upon voter approval as otherwise required by law. It also prohibits the MTA from incurring bonded indebtedness payable from the tax proceeds to fund those projects or programs or from substituting revenue from the tax proceeds for current funding commitments to the projects or programs. Existing law requires the MTA to prepare an expenditure plan prior to submitting the tax ordinance to voters, describing the projects and programs and their cost and funding sources. Existing law also creates the Capital Project Development Fund, into which the tax revenue is to be deposited, and makes those moneys available for expenditure by the MTA to fund the designated projects and programs.

This bill would modify these provisions to require the MTA tax ordinance to specify that the tax is to be imposed for a period not to exceed 30 years, and to require the MTA to include specified projects and programs in its Long Range Transportation Plan. This bill would also authorize the MTA to incur bonded indebtedness, as specified, and would make other related changes.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 130350.5 of the Public Utilities Code is
2 amended to read:

3 130350.5. (a) In addition to any other tax that it is authorized
4 by law to impose, the Los Angeles County Metropolitan
5 Transportation Authority (MTA) may impose, in compliance with
6 subdivision (b), a transactions and use tax at a rate of 0.5 percent
7 that is applicable in the incorporated and unincorporated areas of
8 the county.

9 (b) For purposes of the taxing authority set forth in subdivision
10 (a), all of the following apply:

11 (1) The tax shall be proposed in a transactions and use tax
12 ordinance, that conforms with Chapter 2 (commencing with Section
13 7261) to Chapter 4 (commencing with Section 7275), inclusive,
14 of the Transactions and Use Tax Law (Part 1.6 (commencing with
15 Section 7251) of Division 2 of the Revenue and Taxation Code),
16 and that is approved by a majority of the entire membership of the
17 authority.

18 (2) The tax may be imposed only if the proposing ordinance is
19 approved by the voters in the manner as otherwise required by law
20 and, if so approved, shall become operative as provided in Section
21 130352.

22 (3) The proposing ordinance shall specify, in addition to the
23 rate of tax and other matters as required by the Transactions and
24 Use Tax Law, that the tax is to be imposed for a period of six and
25 ~~one-half years or less~~ *not to exceed 30 years* and that the revenues
26 derived from the tax, net of refunds and costs of administration,
27 are to be administered by the MTA ~~exclusively for the purposes~~

1 of the “Capital Projects,” as described and in the amounts set forth
2 in subparagraph (A), and for the purposes of the “Capital
3 Programs,” as described and in the amounts set forth in
4 subparagraph (B) as provided in this section. The MTA shall
5 include the projects and programs described in subparagraphs
6 (A) and (B) in its Long Range Transportation Plan (LRTP). The
7 funding amounts specified in subparagraphs (A) and (B) are
8 minimum amounts that shall be allocated by the MTA from the
9 revenues derived from a tax imposed pursuant to this section.
10 Nothing in this section prohibits the MTA from allocating
11 additional revenues derived from the tax to these projects. The
12 projects and programs described in subparagraphs (A) and (B)
13 shall be given the highest priority in the LRTP for funding from
14 the revenues derived from a tax imposed pursuant to this section.

15 (A) Capital Projects.

16 (i) Exposition Boulevard Light Rail Transit Project from
17 downtown Los Angeles to Santa Monica. The sum of nine hundred
18 twenty-five million dollars (\$925,000,000). ~~This project shall be~~
19 ~~completed by 2011, and shall be the first priority for federal~~
20 ~~funding received for the capital projects in this subparagraph.~~

21 (ii) Crenshaw Metro Rapidway Transit Corridor from Wilshire
22 Boulevard to Los Angeles International Airport along Crenshaw
23 Boulevard. The sum of two hundred thirty-five million five hundred
24 thousand dollars (\$235,500,000). ~~This project shall be completed~~
25 ~~by 2008.~~

26 (iii) San Fernando Valley North-South Rapidways. The sum of
27 one hundred million five hundred thousand dollars (\$100,500,000).
28 ~~This project shall be completed by 2009.~~

29 (iv) Metro Gold Line (Pasadena to Irwindale Duarte) Light Rail
30 Transit Extension. The sum of three hundred twenty-eight million
31 dollars (\$328,000,000). ~~This project shall be completed by 2012,~~
32 ~~and shall be the second priority for federal funding received for~~
33 ~~the capital projects in this subparagraph.~~

34 (v) Metro Center Regional Connector. The sum of one hundred
35 sixty million dollars (\$160,000,000). ~~This project shall be~~
36 ~~completed by 2012.~~

37 (vi) Metro Red Line Westside Subway Extension to Fairfax
38 Avenue. The sum of nine hundred million dollars (\$900,000,000).
39 ~~This project shall be completed by 2012.~~

1 (vii) State Highway Route 5 Carmenita Road Interchange
2 Improvement. The sum of one hundred thirty-eight million dollars
3 (\$138,000,000).

4 (viii) State Highway Route 5 Capacity Enhancement (State
5 Highway Route 134 to State Highway Route 170, including access
6 improvement for Empire Avenue). The sum of two hundred
7 seventy-one million five hundred thousand dollars (\$271,500,000).

8 (ix) State Highway Route 5 Capacity Enhancement (State
9 Highway Route 605 to the Orange County line, including
10 improvements to the Valley View Interchange). The sum of two
11 hundred sixty-four million eight hundred thousand dollars
12 (\$264,800,000).

13 (x) State Highway Route 5/State Highway Route 14 Capacity
14 Enhancement. The sum of ninety million eight hundred thousand
15 dollars (\$90,800,000).

16 (xi) Capital Project Contingency Fund. The sum of one hundred
17 seventy-three million dollars (\$173,000,000).

18 (B) Capital Programs.

19 (i) Alameda Corridor East Grade Separations. The sum of two
20 hundred million dollars (\$200,000,000).

21 (ii) MTA and Municipal Regional Clean Fuel Bus Capital
22 (Facilities and Rolling Stock). The sum of one hundred fifty million
23 dollars (\$150,000,000). ~~The first priority for the expenditure of~~
24 ~~these funds shall be satisfaction by the MTA of the requirements~~
25 ~~of the Consent Decree between the MTA and the Labor Community~~
26 ~~and Strategy Center, et al., including the purchase of the entire~~
27 ~~number of buses required to comply with the decree.~~

28 (iii) Countywide Soundwall Construction (MTA Regional List
29 and Monterey Park/State Highway Route 60). The sum of two
30 hundred fifty million dollars (\$250,000,000).

31 (iv) Local return for major street resurfacing, rehabilitation, and
32 reconstruction. The sum of two hundred fifty million dollars
33 (\$250,000,000).

34 (v) Metrolink Capital Improvements. The sum of seventy million
35 dollars (\$70,000,000).

36 (vi) Eastside Light Rail Access. The sum of thirty million dollars
37 (\$30,000,000).

38 (vii) Capital Program administration. The sum of ten million
39 dollars (10,000,000). The MTA shall use these funds for the
40 administration of the Capital Program.

1 (c) The MTA may ~~not~~ incur bonded indebtedness payable from
2 the proceeds of the tax provided by this section for the funding of
3 the projects and programs specified in this section, ~~or~~. *The MTA*
4 *shall not* loan money from the proceeds to other projects or
5 programs in advance of completing the projects and programs in
6 subparagraphs (A) and (B) of paragraph (3) of subdivision (b).
7 The MTA shall complete all projects and programs in
8 subparagraphs (A) and (B) of paragraph (3) of subdivision (b) as
9 a condition of the use and expenditure of the proceeds of the tax.
10 The MTA shall maintain the current amount of any funding for
11 the projects and programs specified in this section received from
12 ~~its~~ sources other than the proceeds of the tax, and may not
13 reallocate money that is already allocated for those projects and
14 programs to other projects or uses.

15 (d) Notwithstanding Section 7251.1 of the Revenue and Taxation
16 Code, the tax rate authorized by this section may not be considered
17 for purposes of the combined rate limit established by that section.

18 (e) A jurisdiction or recipient is eligible to receive funds from
19 the local return program, described in clause (iv) of subparagraph
20 (B) of paragraph (3) of subdivision (b), only if it continues to
21 contribute to that program an amount that is equal to its existing
22 commitment of local funds or other available funds. The MTA
23 may develop guidelines which, at a minimum, specify maintenance
24 of effort requirements for the local return program, matching funds,
25 and administrative requirements for the recipients of revenue
26 derived from the tax.

27 (f) Prior to submitting the ordinance to the voters, the MTA
28 shall adopt an expenditure plan for the revenues derived from the
29 tax. The expenditure plan shall describe the specified projects and
30 programs listed in paragraph (3) of subdivision (b), the estimated
31 total cost for each project and program, funds other than the tax
32 revenues that the MTA anticipates will be expended on the projects
33 and programs, and the schedule during which the MTA anticipates
34 funds will be available for each project and program. *The MTA*
35 *shall also identify in its expenditure plan the expected completion*
36 *dates for each project described in subparagraph (A) of paragraph*
37 *(3) of subdivision (b).* To be eligible ~~for proceeds to receive~~
38 *revenues derived* from the tax, an agency sponsoring a capital
39 project or capital program shall submit to the MTA an expenditure
40 plan for its project or program containing the same elements as

1 the expenditure plan that MTA is required by this subdivision to
 2 prepare.

3 (g) The MTA shall establish and administer ~~the a~~ Capital Project
 4 Development Fund. The revenue derived from the tax shall be
 5 deposited into this fund. The moneys in the fund shall be available
 6 to the MTA ~~only~~ to meet expenditure and ~~cash flow~~ *cashflow* needs
 7 of the capital projects and capital programs described in
 8 subparagraphs (A) and (B) of paragraph (3) of subdivision (b). *In*
 9 *the event that there are tax revenues in excess of the necessary*
 10 *amounts as set forth in the expenditure plan to complete the*
 11 *projects and programs described in subparagraphs (A) and (B)*
 12 *of paragraph (3) of subdivision (b), the excess revenues may*
 13 *simultaneously be used to complete other projects and programs*
 14 *in the LRTP, including the replacement of federal or state funds*
 15 *if the amount of those federal or state funds received by the MTA*
 16 *is less than anticipated in the expenditure plan. If the sales tax*
 17 *revenue from this section is less than that needed to meet these*
 18 *expenditure and cash flow needs, the MTA shall supplement the*
 19 *sales tax revenue with money from other sources available to the*
 20 *MTA. Any funds remaining in the fund shall be allocated in equal*
 21 *amounts of 25 percent each to the MTA and to the Municipal Clean*
 22 *Fuel Bus Capital, local return, and Countywide Soundwall*
 23 *programs as described in subparagraph (B) of paragraph (3) of*
 24 *subdivision (b).*

25 (h) ~~If the total amount of revenue received from the tax exceeds~~
 26 ~~the amount in the MTA's expenditures plan or if other funds;~~
 27 ~~including, but not limited to, funds under the Traffic Congestion~~
 28 ~~Relief Act of 2000 (Chapter 4.5 (commencing with Section 14556)~~
 29 ~~of Part 5.3 of Division 3 of Title 2 of the Government Code);~~
 30 ~~become available and are allocated to complete capital projects or~~
 31 ~~capital programs, as described in subparagraphs (A) and (B) of~~
 32 ~~paragraph (3) of subdivision (b), the MTA may expend the surplus~~
 33 ~~tax revenue on its next highest priority projects in the LRTP.~~

34 SEC. 2. The Legislature finds and declares that the tax authority
 35 set forth in Section 130350.5 of the Public Utilities Code, as
 36 amended by this act, is intended to provide those funds necessary
 37 to complete the capital projects and capital programs described in
 38 that section, and that the expenditure plan required by that section
 39 is intended to be structured to provide appropriate funding
 40 guarantees for the completion of each described project or program.

1 SEC. 3. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety within
3 the meaning of Article IV of the Constitution and shall go into
4 immediate effect. The facts constituting the necessity are:

5 In order to timely address the urgent transportation infrastructure
6 needs facing Los Angeles County, it is necessary that this act go
7 into immediate effect.

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